

STIRLINGS TO COAST



FARMERS

# Governance

FOR GROWER GROUPS

AUGUST 2016



# Stirlings to Coast Farmers

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**NFP Incorporated Association**

**Board and five sub-committees**

**Formed by local farmers in 2009**

**Steadily increasing membership (200 individuals), representing 80 largest farming businesses in region**

**300,000 ha from Frankland to Wellstead, Stirling Ranges to coast**

**Focus cropping RD&E, now widening to livestock / market development**



# Stirlings to Coast Farmers

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**Significant growth (2-7 staff in 6 mths)**

**Board, full time CEO and 5 part-time research /communication staff (4FTE)**

**Generates income funded projects, membership and sponsorships**

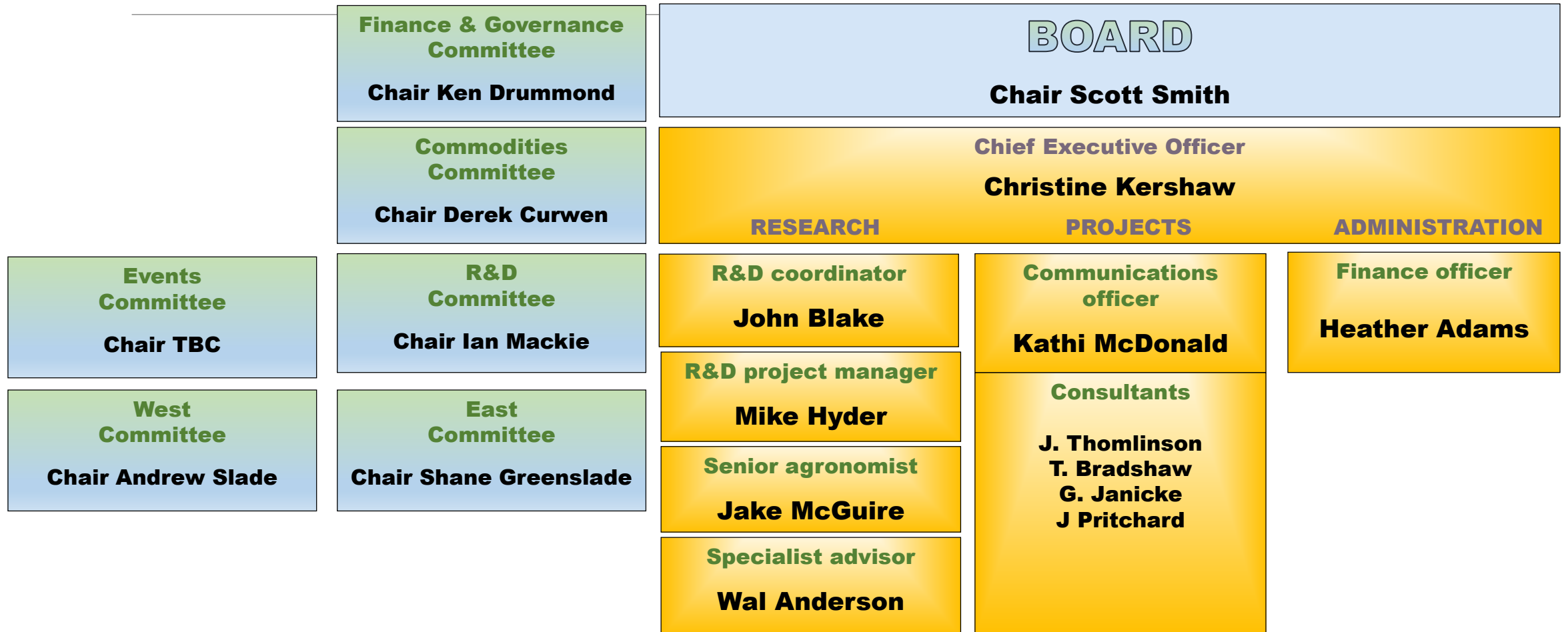
**Best known for high quality research development and extension**

**New projects focus on value chains and new premium markets**

**2013 strategic plan recently reviewed, business plan launch Nov 16**

**Seeking partnerships and closer collaboration**

# Stirlings to Coast Farmers



# What is SCF?

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A farmer-led agricultural research development and extension organisation focused on improving the long-term sustainability and profitability of our member's farming businesses

# SCF is successful mostly because:

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*drum roll.....*

because of the input of our members



# Our members are our priority!



# Successful grower groups have:

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- **Clear common objectives**
- **Involved members loyal to the organisation and put the interests of the group first**
- **Competent management and talented staff**
- **Sound business planning and the ability to plan for change.**
- **Forge links with other grower groups and networks.**
- **Business-like meetings, open to members, who can speak freely and raise questions.**
- **Sufficient capital and good financial management**
- **The patience to grow slowly**



# Why grower groups fail:

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## **Often it is due to the lack of commitment and unity of members**

- Failure to remain relevant and to meet needs of members
- Lack of income, poor funding environment
- Idealistic, impractical, poorly stated or conflicting objectives.
- Inadequate planning
- Lack of communication and uncooperative behaviour
- Failure to attract competent and experienced staff
- Hijacking by CEO/management or some of the membership.
- Directors not comprehending the needs/motivation of members.



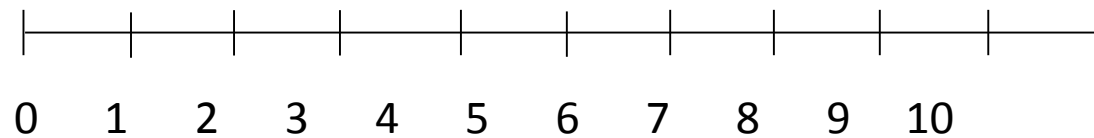
# KEY AREAS OF GOVERNANCE

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***Governance*** is the underlying framework within which a group of people (MC/BOARD) make decisions and take action for a shared purpose (based on what is in the group's constitution).



On the scale of 1 to 10... where does your organisation's governance systems need to be?





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Excellence v Good Enough

**ONE SIZE DOES NOT FIT ALL!**



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Each organisation is different so  
each governance system is different  
but there are some basics that are the  
**SAME** for all

# KEY AREAS OF GOVERNANCE

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## COMMON LAW

### - applicable to all incorporated or not

- a duty of care and diligence;
- a duty to act in good faith in the best interests of the association and for a proper purpose; and
- a duty not to misuse one's position and a duty not to misuse information obtained through the position to gain an advantage for self or someone else or to cause detriment to the association.

# KEY AREAS OF GOVERNANCE

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## **BOARD**

**Set direction and maintain the strategic plan**

**Meet legal obligations of an incorporated association**

**Contribute to the effectiveness and efficiency of organisation**

**Fulfill risk management responsibilities**

**Provide for ongoing development, evaluation and succession**



# KEY AREAS OF GOVERNANCE

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## Four Key Board Functions

**Leadership**

**Legal  
oversight**

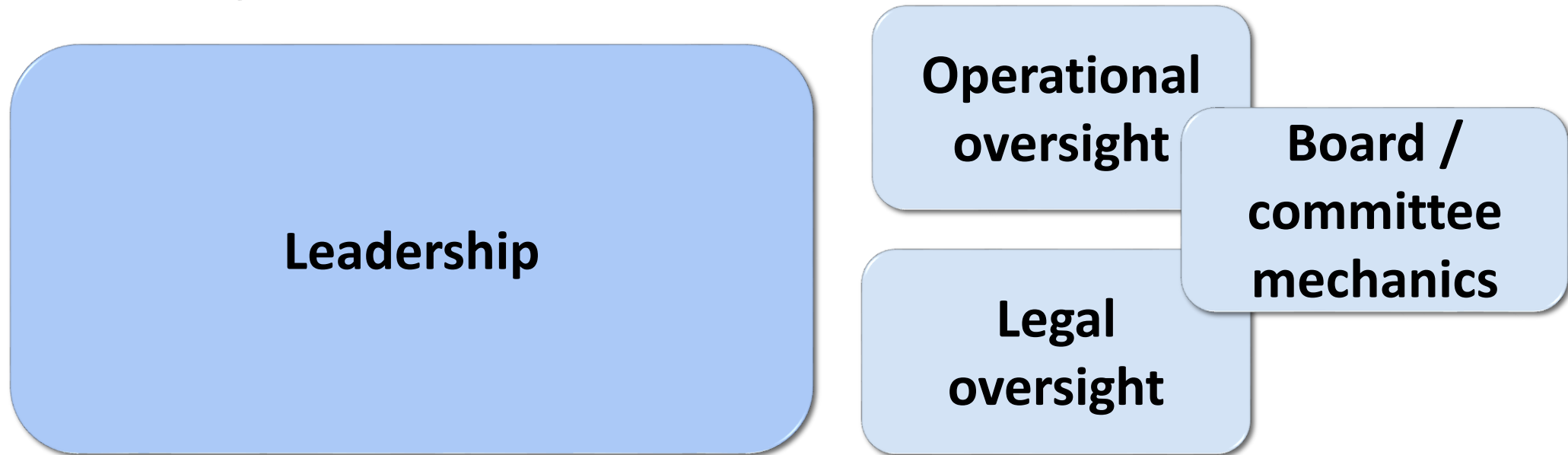
**Operational  
oversight**

**Board /  
committee  
mechanics**

# KEY AREAS OF GOVERNANCE

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## Four Key Board Functions



# KEY AREAS OF GOVERNANCE

## Leadership

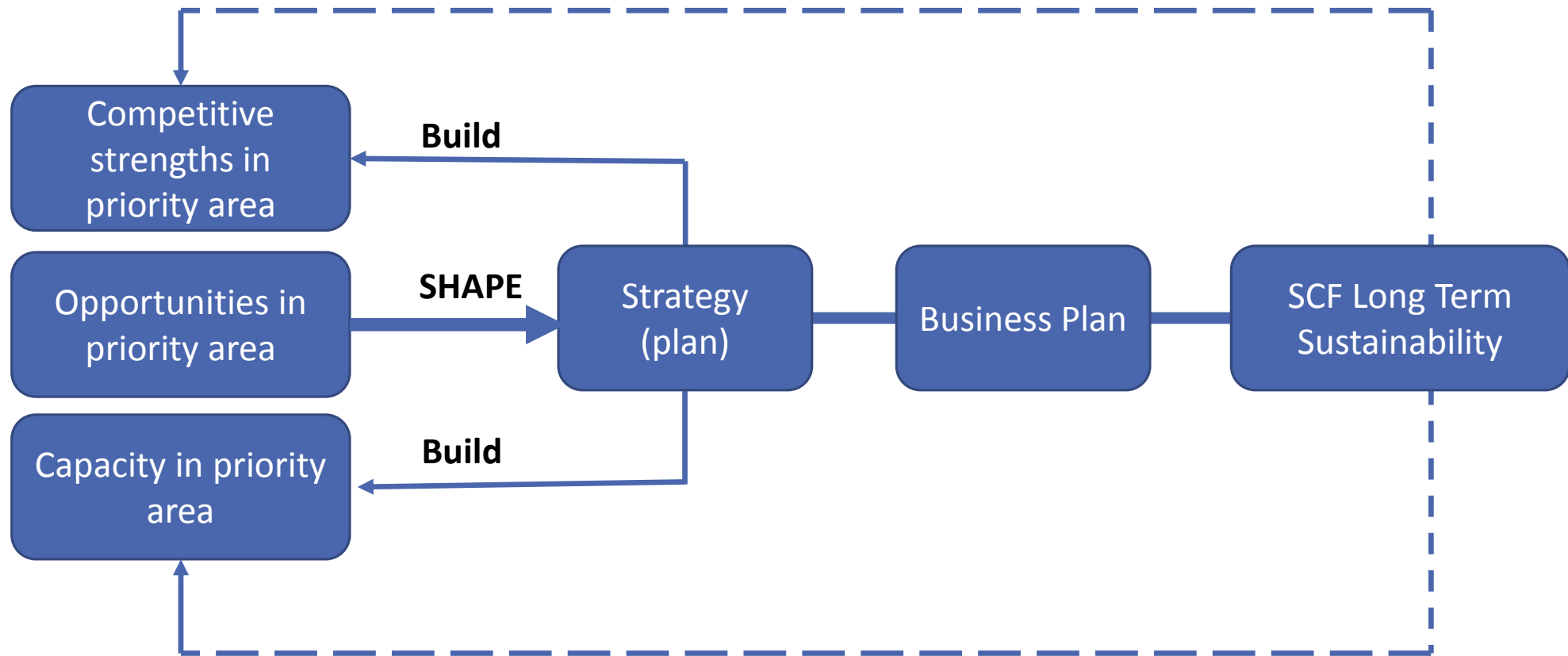
To be a farmer-driven organisation requires that the Board be elected from member farmers and, if needed, that this board be augmented by ex officio positions that represent key stakeholder input and/or 'expert' skills not found within the board skills set.

Commitment to ongoing capacity building and succession of the board to ensure growth and renewal.



# Building and executing strategy!

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# KEY AREAS OF GOVERNANCE

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## Building & executing strategy

### QUESTIONS TO ASK

**How will we sustain or grow our organisation into the future?**

**How will we diversify our revenue to reduce our dependence on a major funder?**

**What must we do to improve benefits and stay relevant to our members?**

**How and where must we innovate our projects and services?**

# KEY AREAS OF GOVERNANCE

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*Non-negotiable*

## INTEGRITY

Towards members

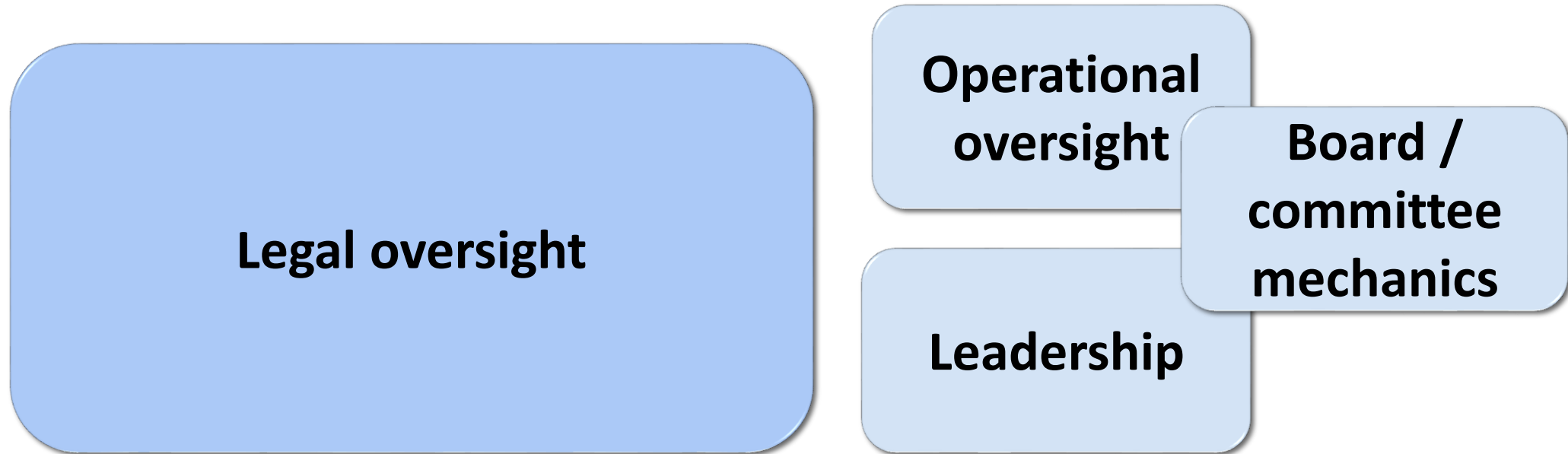
Towards each other

Towards yourself

# KEY AREAS OF GOVERNANCE

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## Four Key Board Functions



# SACRED COWS

*Non-negotiable*

## Legal obligations

- Fair work
- Insurance
- Contracts
- Taxation
- Associations ACT etc.



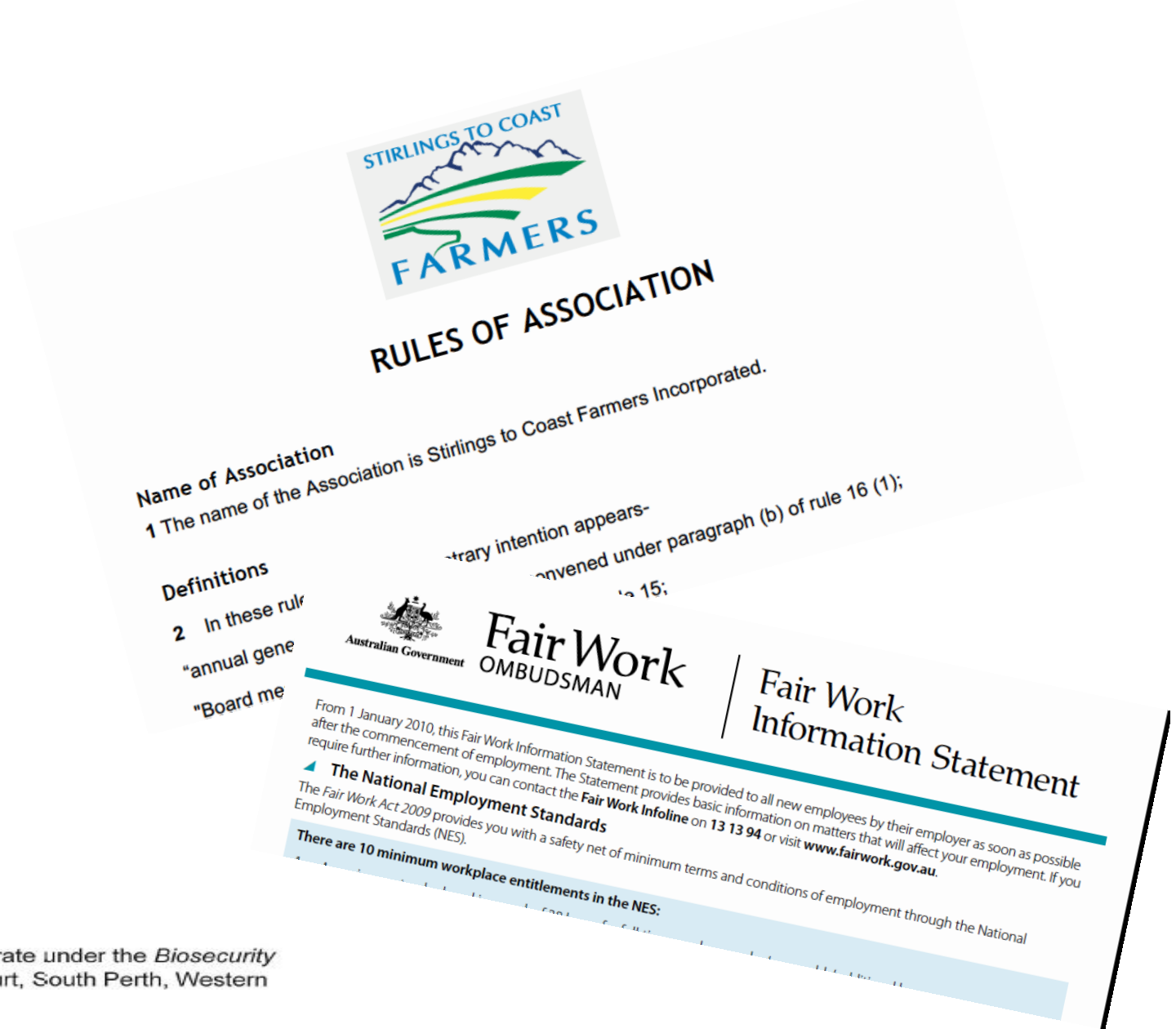
### Licence to Occupy agreement

This LICENCE is made this            day of            20

between

**Western Australian Agriculture Authority**, a body corporate under the *Biosecurity and Agriculture Management Act 2007* of 3 Baron-Hay Court, South Perth, Western Australia (ABN 18 951 343 745)

Hereinafter referred to as 'WAAA'



# KEY AREAS OF GOVERNANCE

*Non-negotiable*

Sound financial management

**2016 Cashflow Budget**  
 Net surplus for 2016 \$ 178,886 \$ 182,272

**2016 CASH INFLOW**

|   | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 | Dec-16 | Subtotal |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
| General Income - PROJECTED                                    |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Membership  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Sponsorship   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Other   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Other grant e.g. councils                                     |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Resistance testing  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 1: Wheat  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 2: Woodies  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 3: eCarveit   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 4: NE dot   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 5: Deep Rippling                                      |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 6: MIA  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 7: GRDC database                                      |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 8: South ALB3   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 9: South GRDC   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 10:   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Other   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>A - SUBTOTAL PROJECTED INCOME</b>                          |        |        |        |        |        |        |        |        |        |        |        |        |          |
| GRDC collected  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Bank interest   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Other   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>B - SUBTOTAL PROJECTED GRANT INCOME</b>                    |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>C - SUBTOTAL PROJECTED INCOME</b>                          |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>D - TOTAL PROJECTED INCOME FROM ALL SOURCES (D+ABC)</b>    |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>Fixed Business Expenses - PROJECTED</b>                    |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Office and shed rent  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Insurance   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Audit & accounting  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Wages (not project funded)                                    |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>Variable Business Expenses - PROJECTED</b>                 |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Marketing and promotion                                       |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Conference registration                                       |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Overseas expenses   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Resistance testing  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 1: Wheat  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 2: Woodies  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 3: eCarveit   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 4: NE dot   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 5: Deep Rippling                                      |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 6: MIA  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 7: GRDC database                                      |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 8: South ALB3   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 9: South GRDC   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 10:   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Project 11: economic analysis                                 |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Other costs   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>F - SUBTOTAL PROJECTED VARIABLE EXPENSES (FOR E+D)</b>     |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>G - PROJECTED TOTAL BUSINESS EXPENSES (FOR E+D)</b>        |        |        |        |        |        |        |        |        |        |        |        |        |          |
| GRDC purchased (not proj funded)                              |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Finance and capital payments - PROJECTED                      |        |        |        |        |        |        |        |        |        |        |        |        |          |
| GST paid  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Capital purchases (not proj funded)                           |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>H - SUBTOTAL PROJECTED FINANCE AND CAPITAL EXPENSES</b>    |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>I - SUBTOTAL PROJECTED EXPENSES FROM ALL SOURCES (G+H)</b> |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Typing cash balance (D)                                       |        |        |        |        |        |        |        |        |        |        |        |        |          |
| TOTAL cash in (D)   |        |        |        |        |        |        |        |        |        |        |        |        |          |
| TOTAL cash out (I)  |        |        |        |        |        |        |        |        |        |        |        |        |          |
| Surplus (Deficit) (D-I)                                       |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>RECONCILIATION OF CASH FLOW</b>                            |        |        |        |        |        |        |        |        |        |        |        |        |          |
| <b>CLOSING CASH BALANCE (D)</b>                               |        |        |        |        |        |        |        |        |        |        |        |        |          |

**DRAFT Work Order**

**GRDC Work Order number PFS74 – 2015 – ALB3**  
 This Work Order is issued in accordance with clause 4.6 of the Panel Deed entered into between GRDC and Stirlings to Coast Farmers Inc. dated 02 September 2015 (**Deed**) and comprises this Work Order and any annexure and attachments hereto.

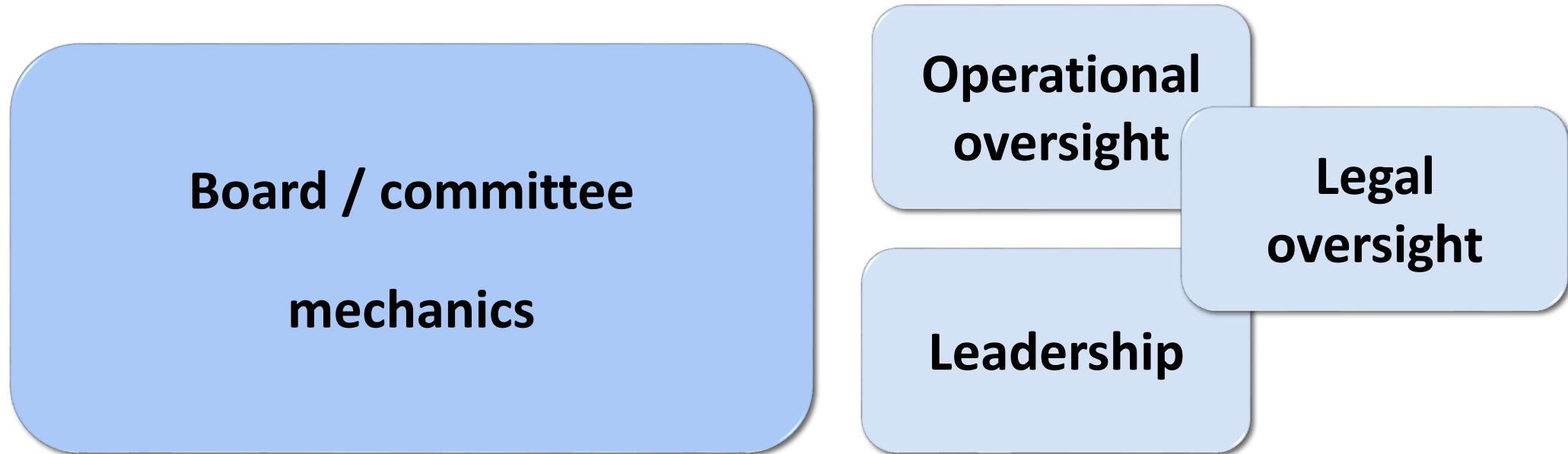
**Work Order details**

| Item | Schedule 2 Panel Deed clause reference | Details |
|------|--|---------|
|      |  |         |

# KEY AREAS OF GOVERNANCE

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## Four Key Board Functions



# KEY AREAS OF GOVERNANCE

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## **Top 10 features of an ideal Board meeting:**

1. Everyone arrives at least 10 minutes early and the meeting starts on time.
2. Everyone has read the agenda and Board papers and has already clarified anything they do not understand with the Chair or CEO.
3. The agenda is well structured, presented in logical order and focused on strategic priorities.
4. The chair is well acquainted with meeting rules (as shown in constitution) and ensures all members abide, ensuring the meeting runs smoothly.
5. Other members are similarly well acquainted with meeting rules and are respectful of the chair's authority.



# KEY AREAS OF GOVERNANCE

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## Top 10 features of an ideal Board meeting:

6. All members make a contribution and no one person dominates the debate, Debates are conducted constructively.
7. Members speak only about issues to which they have something to contribute.
8. Members are satisfied that their views have been heard and they accept all decisions – even those they have voted against.
9. All members are clear as to what their responsibilities will be and what actions they need to carry out before the next meeting.
10. The meeting finishes on time (or early).

# Sub-committees

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## SCF Events West Committee

### Terms of Reference

1. **Administering entity:** Stirlings to Coast Farmers Inc., Albany
2. **Chaired by:** Andrew Slade, SCF Board member

The SCF West Committee was formed by several SCF members who live in the Western SCF zone (Frankland River to Kendenup) to organise events for members of the Stirlings to Coast Farmer's group across the western zone region.

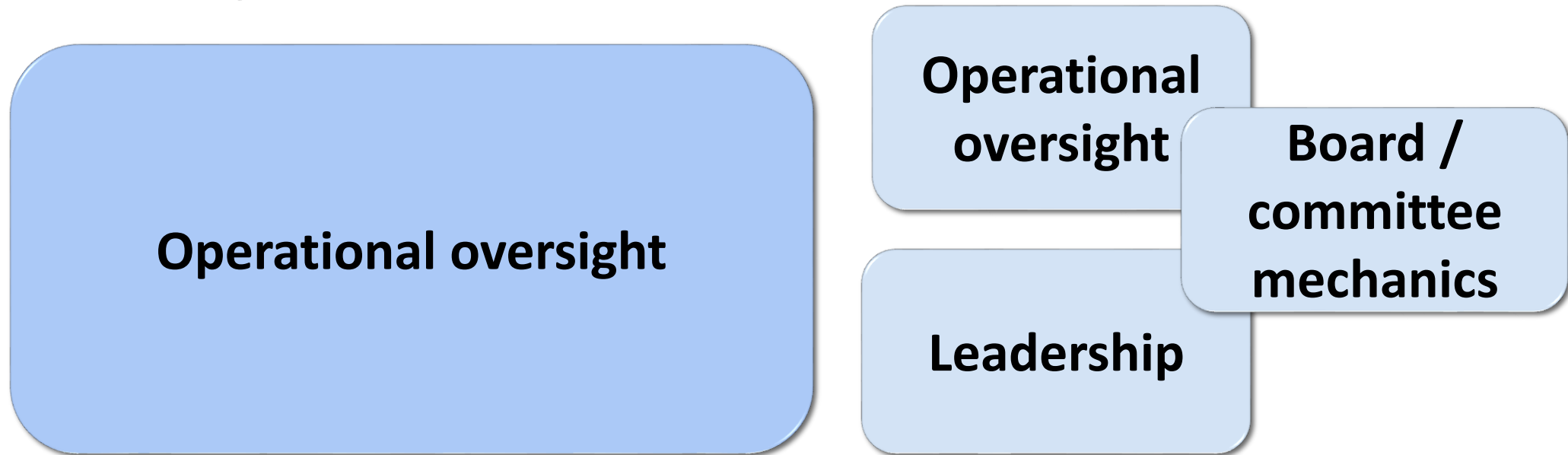
### 3. Purpose and Functions

The Events West Committee meets to coordinate member's efforts to organise events each year that are of most interest to SCF members. It provides an opportunity for SCF staff to brief grower groups on current and emerging research outcomes relating to field trials and opportunity for

# KEY AREAS OF GOVERNANCE

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## Four Key Board Functions



# Operational oversight

CEO\_2016

*Non-negotiable*

## Accountability

- Finance systems
- Reporting processes / performance
- Human resources
- Procurement
- OH&S etc.

**STIRLINGS TO COAST FARMERS** CEO's Work Goals progress against 2011 Strategic Plan

**Vision: To deliver credible, relevant research and information to benefit our members.**

**Strategic Goals (1-3 years)**

1. Drive greater value from research made relevant for our members to adopt.
2. Membership will represent 70% of farm production in the Stirlings to Coast area.
3. Our work will be driven by a focus on improving productivity for our members, with an emphasis on managing soil constraints.
4. Promote a positive profile for progressive agriculture and promote a sense of community.
5. The group will be financially secure and efficiently run.

| STRATEGIES  | TACTICS   | CURRENT STATUS / COMMENTS   |
|---|---|---|
| Underpin the SCF membership and operations with sound management and systems. | 1. Database, inclusive of all family members and workers to build attendance and participation. Build member profiles of enterprises, machinery etc to tailor delivery. | Database of business owners exists with minimal information.<br>No information about workers. Record of attendance? Member potential for?   |
|   | 2. Source data to identify member potential   | • 2016 member survey needs to be developed for basic economic and social data   |
|   | 3. Set a membership fee structure to encourage growth across segments.  | • 2016 review resulted in slight increase in member fee to encourage new memberships in 2016/17 separated from farm members and associates. Now bronze sponsors.  |
|   | 4. Source feedback from members on priorities for research, and how they rate what we deliver.  | • Members surveyed at Crop Updates 2016 good results<br>• 2016 review resulted in two membership segments – farm businesses/individuals and associate members (e.g. other NFP). Previous 'corporate members' now separated from farm members and associates.  |
|   | 5. Prioritise research to achievable and focussed projects. Committee members to directly seek input from 4 other members.  | • Recommend R&D committee review priorities after strategic planning if SCF R&D team review SCF program and document 2017/19 program (if) open R&D prioritisation process at spring event or late 2016 to gain feedback on R&D committee priorities.  |
|   | 6. Outsource resources for specific tasks and projects – identify local talent to deliver on clear outcomes.  | • Priority setting, in future growers should meet x2 per year (R&D Focus Group Meetings) to develop research priorities and review previous year's research achievements (different to crop updates, more of an evaluation meet).<br>• Once priorities are set, SCF to follow project prioritisation process (see template dopbox ) to target high priority projects for our members.   |
|   | 7. Support the Steering Committee with effective meetings, clear and efficient communication, share the load and manage succession.                                     | • Lucy Alderton engaged for economic analysis of previous NRM project. Lucy is an ex DAFWA economist based in Albany.<br>• Johanna Tomlinson engaged to assist with sponsorship program. Working with members to increase sponsorship.<br>• Ongoing.<br>• Communications officer employed partly to improve committee support<br>• SCF staff assigned to committee each (John R&D, Mike West, Jake East, Christine Commodities & Finance)<br>• Board papers formalised. Minutes support by Kashi. |

# Operational oversight



SCF Recruitment Procedures

**SECTION 1: ADVERTISE JOB**

- Step 1: Create job description
- Step 2: Create job advertisement
- Step 3: Advertise the role

**SECTION 2: SHORTLIST AND INTERVIEW**

- Step 4: Review applications and shortlist



## SCF Staff Handbook 2016

This handbook is provided to all SCF employees to provide practical information about working conditions at SCF. It should not be relied upon to address all your information needs. Further information about your working conditions and your rights as employees are outlined by the Fair Work Ombudsman at: <https://www.fairwork.gov.au>

### Awards and Agreements

Before you commenced, you will have signed an agreement sets out your basic entitlements and AS a science professional you are also covered

### Mileage Tracking and Reimbursement

|            |             |         |
|------------|-------------|---------|
| Name:      | Rate        | \$ 0.65 |
| Month:     | Miles       | 0       |
| Year: 2016 | Total Reimb | \$ -    |



| Date | Start Location | Destination | Kms travelled | Project allocation # | Notes |
|------|----------------|-------------|---------------|----------------------|-------|
|      |                |             |               |                      |       |
|      |                |             |               |                      |       |
|      |                |             |               |                      |       |

*Non-negotiable*

## Accountability

- Finance systems
- Reporting processes
- Human resources
- Procurement
- Performance etc.

### Progress report 23 July - 5 Aug 2016

| Tasks                       | Description of work conducted 23 July - 5 Aug 2016   | Issues needing clarification   | Next tasks  |
|-----------------------------|--|--|---|
| Admin                       | <ul style="list-style-type: none"> <li>• Insurance quotes finalised</li> <li>• Event management template</li> </ul>      | <ul style="list-style-type: none"> <li>• Arrangements made Lucy Anderton</li> </ul>          | <ul style="list-style-type: none"> <li>• Admin assist</li> <li>• OH&amp;S policies / risk analysis / attendance r</li> <li>• Meet Lucy discuss NRM project work</li> <li>• Online calendar events / staff</li> <li>• Finance report July</li> </ul> |
| Network / Partners / Grants | <ul style="list-style-type: none"> <li>• Arranged E/states trip meetings</li> <li>• Arranged Perth trip meets</li> </ul> | <ul style="list-style-type: none"> <li>• Tress input 2017 overseas tour itinerary</li> </ul> | <ul style="list-style-type: none"> <li>• CEO and R&amp;D Coordinator strategy briefing</li> <li>• Contact Ag College</li> <li>• Prep GGA presentation</li> <li>• Arrange Sydney meet AEGIC</li> </ul>   |
| Snails /                    | <ul style="list-style-type: none"> <li>• Met GIWA barley</li> </ul>  | <ul style="list-style-type: none"> <li>• Invoice \$30k COGGO</li> </ul>                      | <ul style="list-style-type: none"> <li>• Snails resources to be</li> <li>• Prep Aug 3rd S&amp;S taskforce meeting</li> </ul>  |



| Date                | Fluel Hrs | Daily Hrs | Sick | Holidays | Pub Hrs | Activity Description | Required Daily Hrs |
|---------------------|-----------|-----------|------|----------|---------|----------------------|--------------------|
| 1/01/2016 Thursday  | -7.5      | 0         |      |          |         |                      | 7.2                |
| 2/01/2016 Friday    | -7.5      | 0         |      |          |         |                      | 7.2                |
| 3/01/2016 Saturday  | 0         | 0         |      |          |         |                      | 7.2                |
| 4/01/2016 Sunday    | 0         | 0         |      |          |         |                      | 7.2                |
| 5/01/2016 Monday    | -7.5      | 0         |      |          |         |                      | 7.2                |
| 6/01/2016 Tuesday   | -7.5      | 0         |      |          |         |                      | 7.2                |
| 7/01/2016 Wednesday | -7.5      | 0         |      |          |         |                      | 7.2                |
| 8/01/2016 Thursday  | -7.5      | 0         |      |          |         |                      | 7.2                |
| 9/01/2016 Friday    | -7.5      | 0         |      |          |         |                      | 7.2                |
| 9/01/2016 Saturday  | 0         | 0         |      |          |         |                      | 7.2                |



**Thought that I was doing ok in the first 6  
months ..... Little did I know!!!**

**CAN WE DO IT?**

**YES WE CAN!**

# Thank you



## Gold sponsors



FARMANCO

